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November 3, 2017

VIA ECF

The Honorable Jesse M. Furman
United States District Court
Southern District of New York
40 Centre Street, Room 2202
New York, New York 10007

Re: *U.S. Bank National Association v. Windstream Services, LLC*,
17-CV-07857 (S.D.N.Y.)

Dear Judge Furman:

We represent defendant and counterclaim-plaintiff Windstream Services, LLC (“Services” or the “Company”) and write to inform the Court of unprecedented actions by Counterclaim-Defendant Aurelius Capital Master, Ltd. (“Aurelius”) and respectfully request that Your Honor set aside time for a potential emergency hearing on the morning of Monday, November 6, 2017 to enforce Counterclaim-Defendant US Bank National Association’s (“US Bank”) obligations under the Indenture.¹

As previously disclosed to the Court, late in the evening on October 18, 2017, the Company launched debt exchange offers with respect to its senior notes, including the Notes at issue here (the “Exchange Offers”). In addition to the Exchange Offers, the Company also solicited consents from all holders of the Company’s senior notes (including the Notes at issue here) to waivers and amendments relating to potential or alleged defaults with respect to the Spin-Off, which would waive the defaults alleged in the purported Notice of Default (the “Consent Solicitations”).

Both the Exchange Offers and the Consent Solicitations were designed and implemented with the goal of providing significant benefits to the Company and all of its stakeholders. As an initial matter, the Exchange Offers were designed to extend the Company’s debt maturity profile and enhance its liquidity position over the coming years. Moreover, the Consent Solicitations

¹ Services appreciates and will comply with the Court’s Order from earlier today ordering the parties to submit a joint letter on the status of discovery, the exchange and consent offer, and the trial date. However, the information regarding the exchange and consent offer herein requires the Court’s immediate attention.

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were a means of proactively addressing Aurelius's meritless allegations and avoiding the potential of bankruptcy that Aurelius attempted to force upon upon the Company.

Once effective, the Consent Solicitations unequivocally waive the purported defaults alleged in the Notice of Default issued by Aurelius.

Services anticipated the early settlement of the Exchange Offers would occur today. In connection with the early settlement and in accordance with the requirements of the Indenture, the Company issued a written order to US Bank requiring US Bank, as Trustee, to authenticate new 6 3/8% senior notes due 2023 the Company has agreed to issue to holders of other senior notes who have elected to participate in the Exchange Offers. However, this morning Maslon LLP (corporate counsel for US Bank) contacted counsel for Services and told us that Aurelius sent them a letter (the "Demand Letter") purporting to block US Bank from facilitating settlement of the Exchange Offers by ordering them not to authenticate new 6 3/8% senior notes due 2023. Counsel for US Bank indicated that, in the Demand Letter (which we have not seen), Aurelius purported to act under an undisclosed provision in the Indenture as a majority holder, and as such, directed US Bank, as Trustee, to not authenticate the new notes, which is required to complete the Exchange Offers. Services does not believe this purported action is appropriate or permitted under the Indenture.

Thus, the Demand Letter has no basis in fact or law, and pursuant to the Indenture, US Bank should ignore it. However, counsel for US Bank has indicated that Aurelius will not withdraw the Demand Letter in the absence of a court order.

If US Bank does not authenticate the new notes that -- save for Aurelius's interference -- should have been authenticated today, and Services cannot execute on key transactions on Monday morning, Services (as well as other parties) will suffer substantial harm. Services hopes that US Bank will refuse Aurelius's demand tonight or over the weekend. Failing that, Services will be filing a motion over the weekend, and respectfully requests that Your Honor set aside time for a potential hearing Monday morning. We will communicate an update to the Court as soon as there is a further material development.

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Respectfully submitted,

/s/ Aaron H. Marks

Aaron H. Marks

cc: All Counsel of Record (via ECF)